

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**SB 993 - HB 1046**

April 26, 2021

**SUMMARY OF ORIGINAL BILL:** Adds noncompetitive procurement agreements with non-governmental entities for non-research-related goods or services to the list of contracts that are subject to review by the Fiscal Review Committee (FRC).

Specifies that a noncompetitive contract means any procurement arrangement, including but not limited to, grants and contracts; but does not include grants or contracts awarded to either a public institution of higher education for research or public service-related goods or services, or a governmental entity, including but not limited to a local government.

Requires the Chief Procurement Officer (CPO) to submit a report to the director of FRC, no later than the first business day of each month, which includes an itemized listing of all contracts, grants, or any other noncompetitive procurements that were awarded the previous month and any policy, procedure, or rule change to the state procurement processes planned for the following month.

Adds the CPO to the list of office-holders who are required to file a conflict-of-interest disclosure statement.

Prohibits a public officer or employee involved in administering or making a procurement agreement on behalf of the state from accepting employment with any person or entity with whom the officer or employee dealt in an official capacity concerning the procurement transaction for the 24 months from the ending of the contract or one year immediately following departure from employment as the public officer or employee, whichever occurs first. Establishes a breach of this prohibition as a Class A misdemeanor.

**FISCAL IMPACT OF ORIGINAL BILL:**

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (007610):** Deletes and substitutes language of the original bill without making any substantive changes to the legislation.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Based on information provided by the Department of General Services, the proposed legislation would not significantly affect the policies or procedures of the Department or the Central Procurement Office.
- The CPO can complete the required monthly reports utilizing existing Department resources.
- Requiring the CPO to file a conflict-of-interest disclosure statement will not meaningfully increase Secretary of State's workload.
- There will not be a sufficient number of Class A misdemeanor prosecutions for state or local government to experience any significant increase in revenue or expenditures.
- FRC reviewed an average of 278 contracts and amendments from 2018-2020. The precise increase in contract workload as a result of this legislation is unknown; however, FRC can accommodate the increase utilizing existing resources and personnel.
- Any fiscal impact to state government is estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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